



MESSAGE FROM OUR CEO

Take Action for the Future

Tadashi Yanai

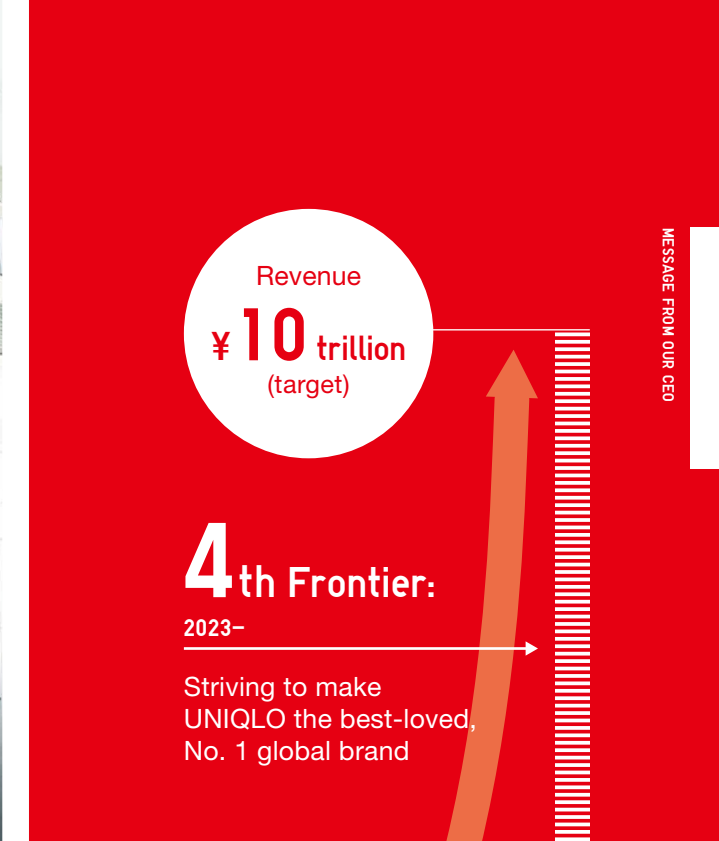
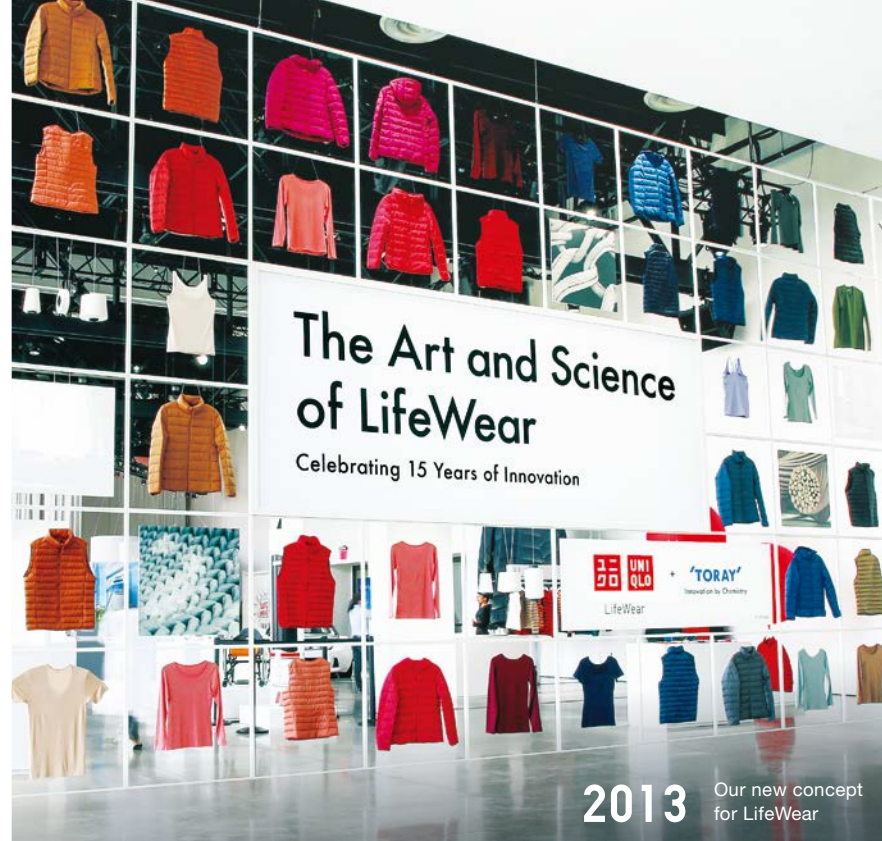
Chairman, President and CEO

Almost by definition, a business must be sustainable. Since founding Fast Retailing, I have believed that managing with a global perspective and good common sense is vital to ensuring the company's sustainable future.

Our LifeWear is infused with a Japanese commitment to excellent manufacturing. We attend to the smallest details, get directly involved in the production process for every garment, and make clothes with long-term and deeply trusted partner factories. We use the very latest technologies to innovate, evolve, and constantly improve our clothes. We have built a solid global brand position by directly informing customers about the value of our clothes and enhancing our "new clothing from Japan" branding.

Starting with a single store on a shopping street in a coal-mining community, we now boast nearly ¥3 trillion in annual sales. We maintain a consistent, earnest approach to providing truly good products to our customers. Thanks to that commitment, we achieved considerable increases in revenue and profit in fiscal 2023 (September 1, 2022 to August 31, 2023), with revenue rising to ¥2.7665 trillion (+20.2% year on year) and operating profit expanding to ¥381.0 billion (+28.2%). UNIQLO International surpassed 50% of our consolidated sales for the first time on significant growth in all markets. I am confident that, if we offer constantly evolving LifeWear to customers worldwide, we will become the leading global brand. Regarding our management framework, we appointed UNIQLO Global CEO Daisuke Tsukagoshi as President and COO of UNIQLO Co., Ltd. He will strengthen our next-generation team management structure and further promote global business. Group companies will work with him to realize unified *ZEN-IN KEIEI* management, in which all employees adopt a managerial mindset, and to improve management more generally.

I believe we can contribute to resolving global challenges by leveraging our unique and carefully cultivated corporate culture. By collaborating with other ambitious individuals and companies, I believe a path toward a peaceful and stable world will open. We will tackle the challenges of the future, driven by our mission: Changing clothes. Changing conventional wisdom. Change the world.



Becoming the Leading Global Brand

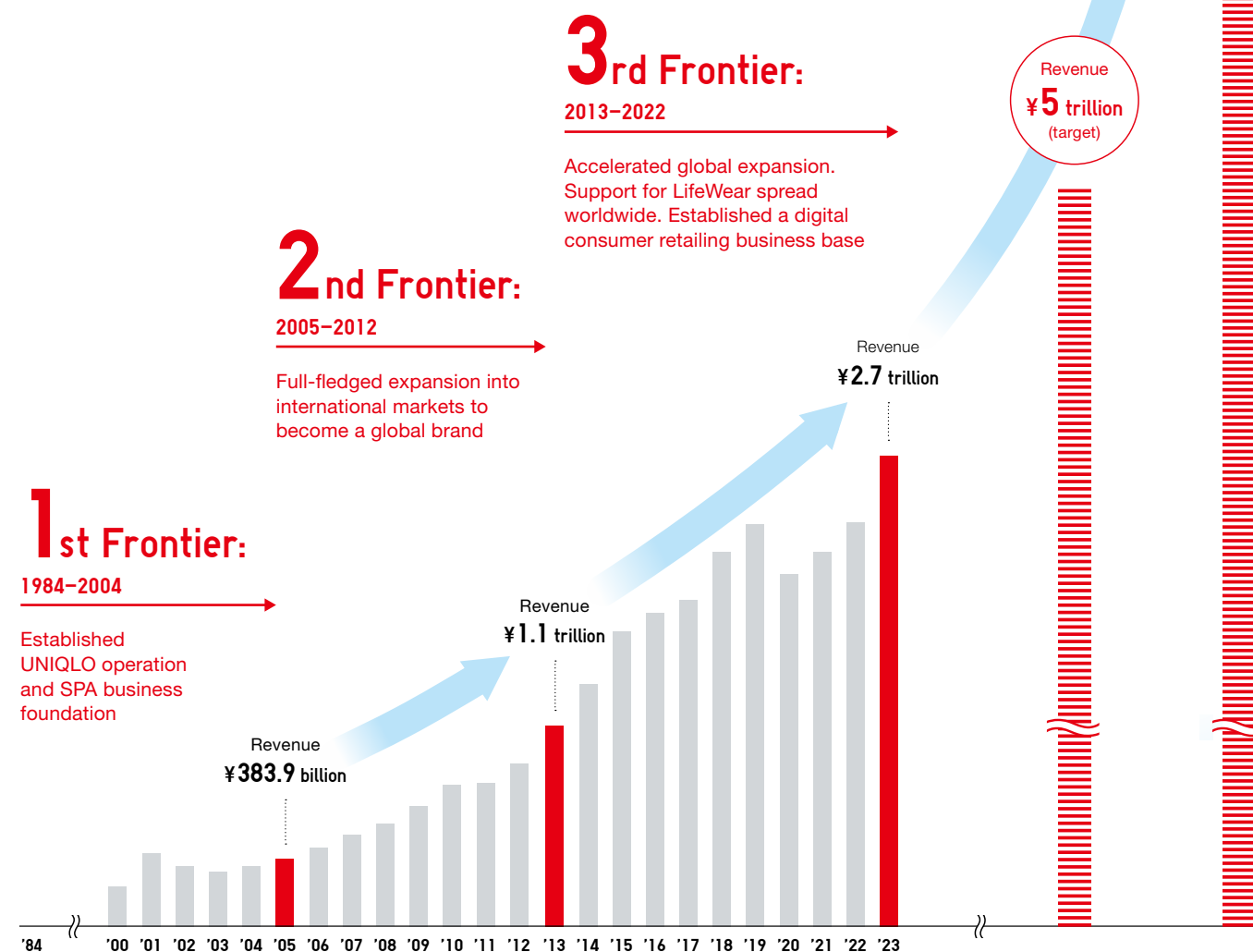
The Fourth Frontier: A New Transformation

We achieved three record performances from FY2021 to FY2023. In FY2024, sales should surpass ¥3 trillion. Achieving revenue of ¥5 trillion within a few years, and then doubling that to ¥10 trillion, is not an unrealistic goal.

I announced these targets after being inspired by the enthusiasm of Hideki Kuriyama, manager of the Japan national baseball team, during a discussion organized by a Japanese newspaper. Mr. Kuriyama brings out the best in his players by cultivating an unshakeable commitment to winning, without which victory is impossible. We have always pledged to do unprecedented things at unprecedented levels in the apparel industry. I myself am already fully committed, and I realized that if I don't take the lead, no one will follow me.

Our first frontier was the opening of our first UNIQLO store in 1984. Our second frontier came in 2005. Having experienced various setbacks following

the opening of our first international store in London in 2001, we successfully opened our first store in Hong Kong, paving the way for global growth. Our third frontier in 2013 saw the launch of our new LifeWear concept and an acceleration in global expansion. We also established platforms for developing a digital consumer retailing business and becoming a global brand. Now, we are on the threshold of the fourth frontier. We declared a new policy for FY2023—"The Fourth Frontier: Challenge, Take Action, Achieve"—that illustrates our determined pursuit of further changes in order to become a truly global brand. We will continue to pursue our ideals, set high goals, decide how to achieve them, and put them into action. We will deliver products that satisfy customers worldwide and become the world's leading global brand. I want to make everyone's daily lives more comfortable. I want everyone everywhere to feel that UNIQLO is a brand they can trust every time.





LifeWear: Japan to the World

Simple, High-quality Clothing for All

LifeWear offers excellent design, functionality, comfort, and enduring appeal at exceptional prices. This unique value can be traced to our origins in Japan. Our first brand message in 1999 was “UNIQLO is a new kind of Japanese company that enables people all over the world to experience the joy, happiness and satisfaction of wearing truly great clothing.” Our aim was to take on the world with Japan’s unique aesthetic sensibility, exquisitely attentive manufacturing, and industriousness. UNIQLO overturned conventional fashion wisdom by offering clothing as elements of personal comfort. Our production processes were inspired by the strict quality control required for precision instruments. This artisanal spirit remains the biggest factor behind our worldwide customer support and growth.

A shift in consumer tastes toward products that offer real value has also boosted support for LifeWear and enabled UNIQLO to dramatically increase its presence in the USA and Europe. We

now have the same number of stores in central London and Paris as top local brands, and UNIQLO brand visibility has increased to over 80% in the US cities where we operate stores. Having built the necessary platforms for uninterrupted expansion in the USA and Europe, the stage is now set for us to become a truly global brand.

What is LifeWear?

1. Inspired by life's needs
2. Ingenious in detail
3. Simple and adaptable to everyone's style
4. Looking ahead to continuously evolve
5. The highest quality made accessible to everyone

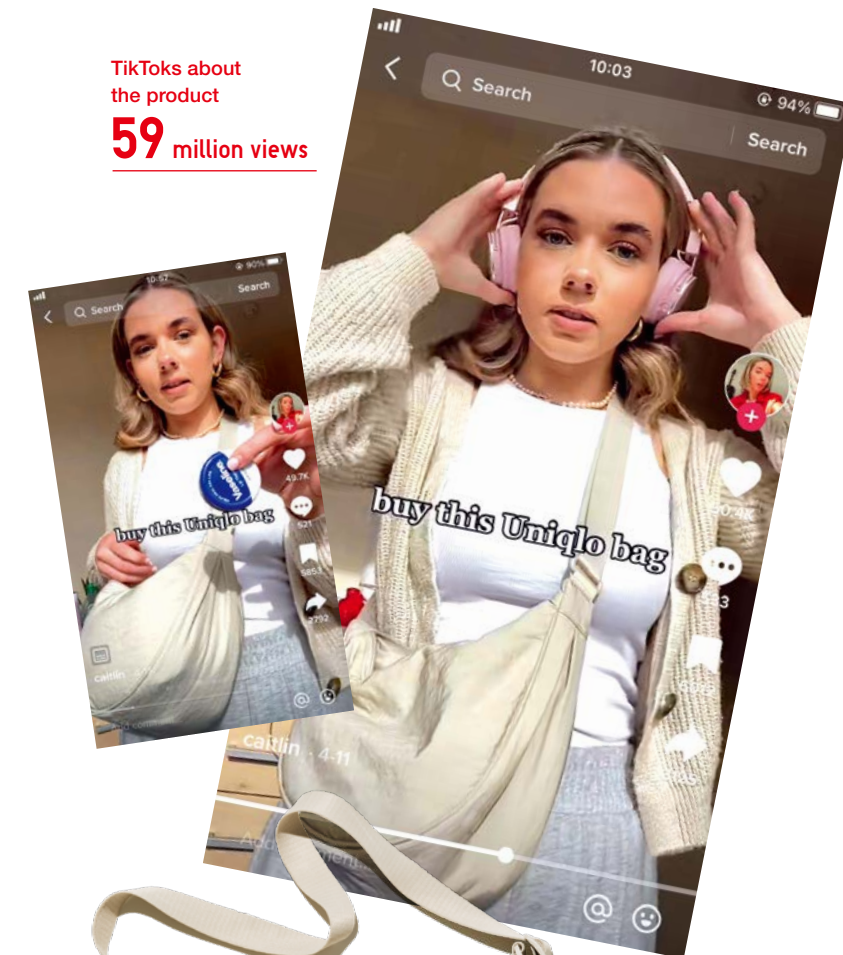
The Key to Success: ‘Global is local, Local is global’

Balancing global and local considerations in our frontline operations when promoting business reforms has proved to be a key driver of our success, and this is at the heart of our current “Global is local, Local is global” concept. The UNIQLO teams in each country work together with global headquarters to develop products, based on customer feedback, that satisfy local needs and also sell well worldwide. Furthermore, by strengthening global marketing, we have achieved great results, especially with core products such as T-shirts, fleece, and cargo pants. After our Round Mini Shoulder Bags became a big hit on social media, we sold over 14 million units worldwide. The UK’s *Guardian* newspaper reported that the bag “has been dubbed the ‘millennial Birkin’ by fashion insiders.” Word of mouth spread instantly on social media. We used to think in terms of individual domestic markets. Now, it’s all one global market.

In the current era, changes in fashion and lifestyles occur simultaneously on a global scale. To ensure global growth, it is important to heed customer feedback, continuously perfect our products, and accurately reflect the times and the latest trends. We already have the platforms in place to create great clothes. We have R&D centers in New York, Los Angeles, London, Paris, Shanghai, and Tokyo, and we have long-standing and reliable partner factories in Asia. We also boast a global

store network and global e-commerce customer base, which give us a priceless database. Each year we receive over 30 million specific customer requests and complaints, and use them to improve our products. We have the potential to become the first truly global brand from Asia.

TikToks about the product
59 million views



R&D Centers with Global Reach



Customer and Store Feedback (FY2023)

36.90 million opinions

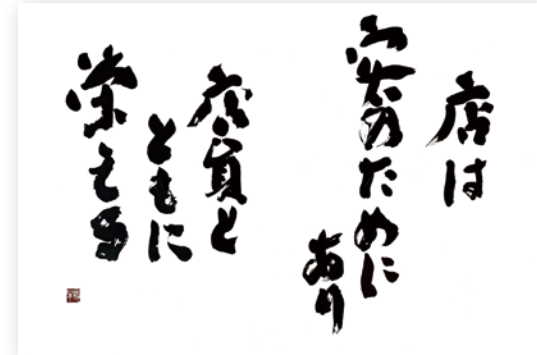


The crescent-shaped Round Mini Shoulder Bag from UNIQLO is compact but holds a surprisingly large amount thanks to its 10 cm gusset. The bag became a hit after a British influencer showcased the bag’s large capacity and coupled it with stylish outfits in a TikTok. After initially selling out worldwide, it is still popular one year later.

Innovative Store Management

Stores Exist to Serve Customers and Flourish Along with Employees

A phrase framed in my office says, “Stores exist to serve customers and flourish along with employees.” I read these words before founding UNIQLO, and they just made sense to me. I love this phrase, and it has had a huge influence on me, because it perfectly encapsulates the principles of commerce. The purpose of management is to increase customer numbers: fans of your store. Employee growth is key to a company’s future. Salespeople are not just workers; they are business managers, store managers, and leaders. To innovate store management, all employees should be strategic thinkers considering the value their store offers. Now, our priority is to better prepare our salespeople. To provide the same level of service in all stores, our global managers frequently visit stores worldwide to carefully explain our standards, and work with them



Stores exist to serve customers and flourish along with employees
—Choji Kuramoto
Calligraphy by Hogyu Kobayashi

to ensure implementation. We train salespeople to politely guide customers to products, explain them, and ensure there are no issues. Implementing unified global standards and systems for hiring, training, and evaluating salespeople will lead to even higher levels of customer satisfaction.



Local Store Management: Building Stores Worth Visiting

I do not believe that developing a chain of identical stores is a good idea. It is much better to develop a global chain of locally managed stores because stores that successfully meet local and global needs have greater longevity. Only the very best regional stores can earn global success, and because of e-commerce, only physical stores that are worth visiting will survive. The COVID-19 pandemic taught us that e-commerce isn’t everything; people actually want to go to stores that are fun to visit. We have stores in major cities in Europe, on SoHo and 5th Avenue in New York City, and elsewhere. This is one secret to our success. We field many requests to open stores in shopping malls and specific locations. In instances like these, we aim for locally managed stores, and not cookie-cutter chain stores. Local employees with a strong understanding of local customer needs and market information manage the stores together with Japanese staff. Each store strives to work through its own issues, backed up by members of our global headquarters, who are often on site to help. Solving vital issues by getting our stores, production, distribution, and retail sites to connect directly with our global headquarters is the best way to strengthen local store management on a global scale.



The key motif at our UNIQLO Asakusa store (opened in the popular Tokyo tourist area in 2021) is *Senjafuda*: paper tags normally posted on shrine pillars, an iconic sight in Asakusa. We hope the store resonates with local people and shows our commitment to the neighborhood.



LIVE STATION

Our popular UNIQLO LIVE STATION, which features salespeople offering our products and suggesting ways to style them, attracts over 10 million views a year in Japan. In-store salespeople connect with customers, deepening links between in-store and digital services, and creating more fans at each store. We livestream in 17 markets and 9 languages (as of November 2023).

Livestream annual viewership (Japan)
Over 10 million views



Achieving True ZEN-IN KEIEI



Strengthening Our Team Management Structure

In September 2023, we appointed current UNIQLO Global CEO Daisuke Tsukagoshi as President and COO of UNIQLO Co., Ltd. Since joining the company in 2002, he has amassed global experience as store manager in Japan, CEO of UNIQLO Mainland China, CEO of UNIQLO North America, and head of our Fast Retailing Management and Innovation Center (FR-MIC) training facility. We always put our stores first, but he also understands our head office, so he is well qualified. I will remain responsible for decision-making and executive management of the entire Group as Chairman and CEO of UNIQLO Co., Ltd. and Chairman, President and CEO of Fast Retailing Co., Ltd.

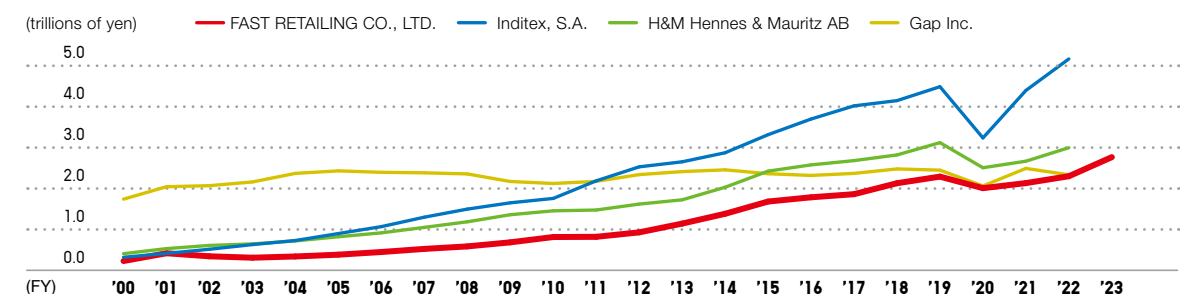
We will enhance team management among national and department managers, all centered around Mr. Tsukagoshi. Our management team is already driving our succession plan forward by discovering and training promising next-generation management candidates in all global markets to lead us into the next era. I expect great things from our impressive young employees. In addition to building our management team with the help of all national managers worldwide, we should also improve the quality of our management by uniting all Group companies in the quest to realize true *ZEN-IN KEIEI*, with each employee adopting a managerial mindset.

The World's Highest Standards

Getting everyone to adopt a managerial mindset greatly boosts efficiency and enhances our overall desire for growth. Junior members can rise to the top by working hard and improving. We formulated our Global One and *ZEN-IN KEIEI* management principles to become the kind of company we aspire to be. We implemented significant wage increases in Japan in March 2023 to motivate staff to work to the highest global standards. Securing world-class talent is a top priority. Building organizations run by select team members is the best way to fuel expansion and improve profitability. Choosing managers carefully breeds success. Bloated management does not benefit our stores, our employees, or our company. I will reward excellent talent with high salaries and select the very best managers.

Investing in human resources is vital to our fourth frontier. Our company originated in Japan, but we cannot stop there; we must be truly global. Most of our COOs in Europe are local hires who work alongside Japanese staff. We need local members in management teams who understand our products, customers, and global markets. So we are shifting from a Japan-centric management framework, and appointing people from around the world to managerial or professional positions. We will strengthen global hiring of world-class people, and assign them to various businesses to build management experience. I want us to share information and combine individual talent and teamwork to achieve world-class standards, just like Japan at the 2023 World Baseball Classic.

Sales of Major Global Apparel Retailers



*Compiled from individual annual report data and calculated using exchange rates as of end of October 2023. (US \$1=¥149.5, 1EUR=¥158.7, 1SEK=¥13.4)



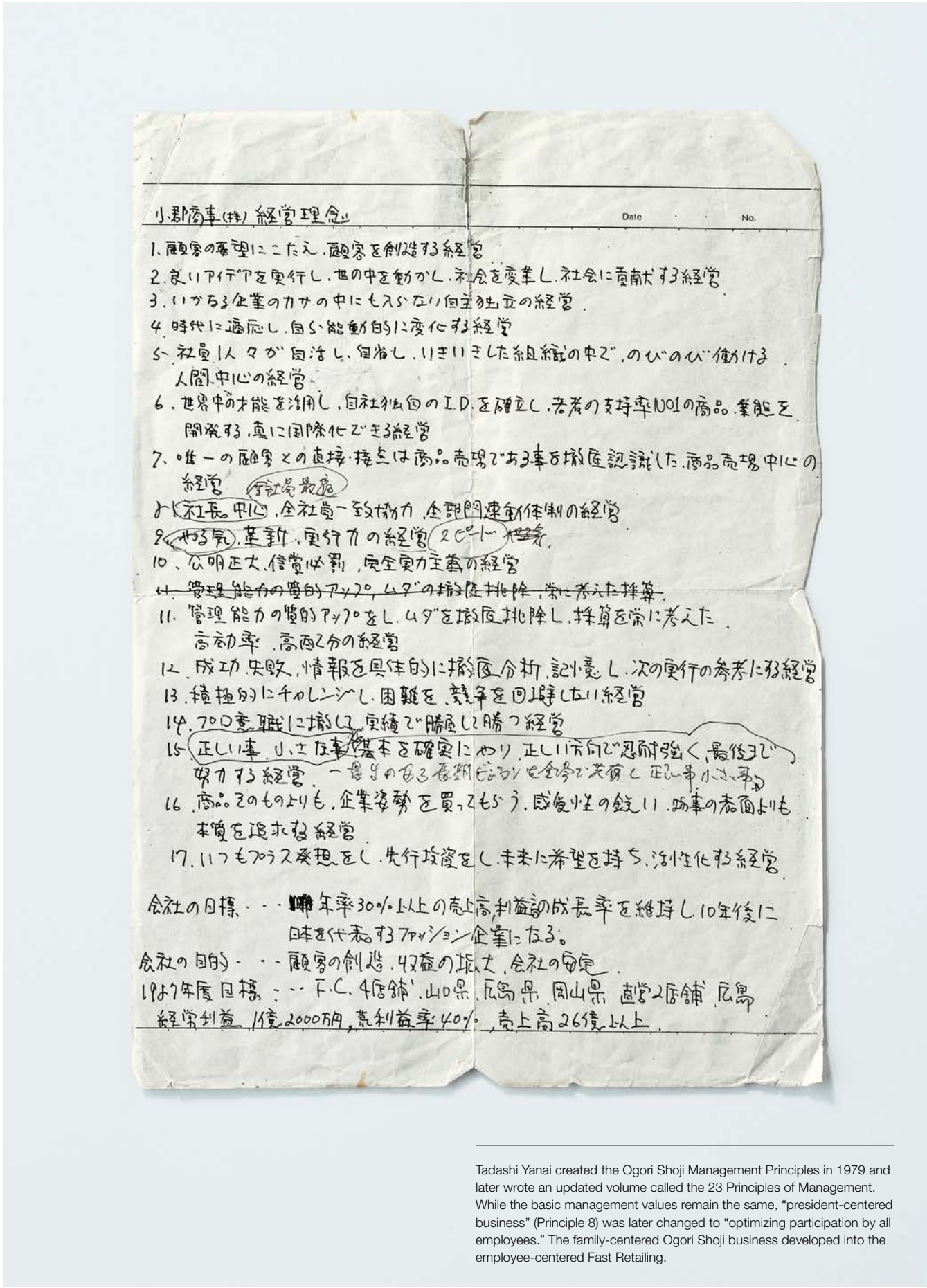
The World's Most Essential Company

Contributing to Society Through Our Business

My father ran Ogori Shoji, the predecessor of Fast Retailing. When I took over, I thought about the kind of company I wanted to create and decided to build one that would contribute to society. That commitment has always inspired my approach.

When you consider doing business internationally, you should ask yourself three questions. First, who are you and what differentiates you? If the answer is nothing, then don't do it. Second, what have you done to benefit the world? We have worked hard to support refugees, employ people with disabilities, recycle clothes, and protect human rights—all actions that have earned trust. Third, what will you do for the country you are in? If you simply want to make money for yourself, no one will join you. You need to show who you are, what you can do, and what you want to achieve. By doing so, you can team up with excellent like-minded individuals and companies worldwide, create unique things, and change society. That is what we have done. The

COVID-19 pandemic and recent conflicts illustrate that our world is intricately connected. As globalization and technology advance, individual lives and company management are increasingly intertwined, everywhere. You can't be the only winner. In times like these, the worst thing you could do is think purely about yourself, your own company, your own country, or your own profits. Stubbornly simple thinking, uncompromisingly extreme behavior, or intolerance for anything or anyone different from yourself will not solve future problems. If we can transcend boundaries of nation and ethnicity, view the world from a higher vantage point, and strive to conduct business that benefits all society, then the world still harbors abundant and varied possibilities. We have to believe in the future and be prepared to create that future together. I believe in our customers and the value we create through our business, and will continue to work hard on behalf of society.



Tadashi Yanai created the Ogori Shoji Management Principles in 1979 and later wrote an updated volume called the 23 Principles of Management. While the basic management values remain the same, "president-centered business" (Principle 8) was later changed to "optimizing participation by all employees." The family-centered Ogori Shoji business developed into the employee-centered Fast Retailing.